

## St. Paul Regional Office — St. Paul, MN

Revised February 2014

# Cigar Binder Tobacco

## Wisconsin

### Crop Insured

All cigar binder tobacco grown in the county is insurable if:

- It is grown in the county on insurable acreage;
- You have a share; and
- It is planted for harvest.

### Counties Available

See actuarial documents at <http://prodwebnlb.app.rm.usda.gov/apps/ActuarialInformationBrowser2014/CropCriteria.aspx> for insurable counties. The crop may be insurable in other counties by written agreement if specific criteria are met. Contact an insurance agent for more details.

### Causes of Loss

You are protected against the following:

- Adverse weather conditions such as natural perils of hail, frost, freeze, wind, drought, and excess moisture;
- Failure of irrigation water supply, if caused by an insured peril during the insurance period;
- Fire, if due to natural causes;
- Plant Disease and Insects, but not damage due to insufficient or improper application of pest or disease control measures; or
- Wildlife.

### Insurance Period

Insurance coverage begins on the later of:

- Date we accept your application; or
- Date when the tobacco is planted.

Insurance coverage ends with the earliest occurrence of one of the following:

- Total destruction of the crop;
- Removal of the tobacco from the unit where grown except for curing, grading, and packing;
- Final adjustment of a loss;
- Abandonment of the crop; or

- April 30, 2015.

### Reporting Requirements

**Acreage Report** - You must give a report of all your cigar binder tobacco acreage in the county by the acreage reporting date.

### Important Dates

Sales Closing Date ..... March 15, 2014  
Final Planting Date ..... July 10, 2014  
Acreage Reporting Date ..... July 15, 2014  
Premium Billing Date ..... January 1, 2015  
Production Reporting Date ..... April 29, 2015

### Definitions

**APH Yield** -Actual production history (APH) yield used to determine the production guarantee. The APH yield is based on up to 10 years of actual and/or assigned yields.

**Unit** -The insurable acreage used to determine the APH yield, the production guarantee, and any indemnity (loss payment).

**Production Guarantee** -Number of pounds guaranteed per unit. Multiply your APH yield per acre by the coverage level percentage you select by number of acres in the unit.

### Coverage Levels and Premium Subsidies

Tobacco may be insured at the coverage levels shown in the following table. Crop insurance premiums are subsidized as shown. For example if you select the 75-percent coverage level, your coverage is 75 percent of your approved APH yield, the premium subsidy is 55 percent, and your premium share is 45 percent of the base premium.

| Item           | Percent |    |    |    |    |    |
|----------------|---------|----|----|----|----|----|
| Coverage Level | 50      | 55 | 60 | 65 | 70 | 75 |
| Subsidy        | 67      | 64 | 64 | 59 | 59 | 55 |
| Your Share     | 33      | 36 | 36 | 41 | 41 | 45 |

Catastrophic Risk Protection (CAT) coverage is available at 50 percent of your APH yield and 55 percent of the established price election. The total cost for CAT coverage is an administrative fee of \$300 per crop per county, regardless of the acreage. Administrative fees, in addition to premium costs, for coverage levels above CAT are \$30 per crop per county.

## Price Elections

Price of compensation per pound in case of loss:  
Established price..... \$1.95 per pound

## Unit Division

**Basic Unit (BU)** - A basic unit includes all of your insurable tobacco acreage in the county by share arrangement. Premium discounts apply.

## Insurance Plan

APH is the only plan of insurance available for tobacco. The production guarantee is based on your individual yield history.

## Late Planting

This provision provides protection on acreage that is planted after the final planting date. Please contact a crop insurance agent for details.

## Loss Example

A loss occurs when the pounds of tobacco produced for the unit fall below the production guarantee as a result of damage from a covered cause of loss. This example assumes a 2,200 pounds per acre APH yield, 65-percent coverage level, 100 percent of the established price, and basic unit coverage.

|                  |                                  |
|------------------|----------------------------------|
| 2,200            | Pounds per acre APH yield        |
| x 0.65           | Coverage level                   |
| 1,430            | Pound guarantee                  |
| - 400            | Pound per acre actually produced |
| 1,030            | Pound per acre loss              |
| x \$1.95         | Price election                   |
| \$2008.50        | Gross indemnity                  |
| - \$68.00        | Estimated premium per (varies)   |
| <b>\$1940.50</b> | <b>Net indemnity</b>             |

Figures shown on a per acre basis; guarantees and losses are paid on a unit basis. See policy provisions.

## Where to Buy Crop Insurance

All multi-peril crop insurance, including CAT policies, are available from private insurance agents. A list of crop insurance agents is available at all

USDA service centers and on the RMA website at: [www3.rma.usda.gov/apps/agents/](http://www3.rma.usda.gov/apps/agents/).

## Contact Us

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